

# FISCAL NOTE

**Bill #: SB0394**

**Title: Montana organic certified commodities**

**Primary**

**Sponsor: Jon Tester**

**Status: As introduced**

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>		
State Special Revenue (02)	\$47,955	\$77,725
<b>Revenue:</b>		
State Special Revenue (02)	0	0
<b>Net Impact on General Fund Balance:</b>	<b>0</b>	<b>0</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

1. The state organic certification program would be modeled after the USDA program, approved by the USDA, and receive a "Growth Through Agriculture" grant for development and implementation in the 2001 biennium.
2. Personal services are based on 1.00 FTE certification specialist (grade 12) hired mid-year FY 2000 at a full-year cost of \$32,430. Per diem and expenses for the advisory council are budgeted at \$7,810 in FY 2000 and \$13,120 in FY 2001.
3. Operating expenses include a contract to develop the state plan at \$14,500 in FY 2000; rules adoption at \$700 in FY 2000 and \$140 in FY2001; printing costs of \$750 in FY 2000 and \$500 in FY 2001; communications at \$1,000 in FY 2000 and FY 2001; computer at \$2,500 in FY 2000; supplies at \$700 each

(continued)

year; rent at \$500 each year; in state travel is budgeted at \$1,475 each year; and training at \$1,000 each year. In addition, a desk, chair and other furniture will be obtained from surplus property at a cost of \$75 in FY 2000 and other expenses are estimated to be \$200 each year.

4. There are approximately 100 organic crop and livestock producers and 10 organic food processors and handlers in Montana. The process for managing petition by producers, handlers, and processors will cost \$200 in FY 2000 and \$1,000 in FY 2001.
5. The department will contract for field inspectors to provide certification services for 100 producers times \$250 average per producer or \$25,000 in FY 2001.
6. Certification, research, marketing and assessments to pay for program will be implemented in the first year and assessment collection will be implemented in the second and third year of program.

**FISCAL IMPACT:****Dept. of Agriculture**

	<u>FY2000</u>	<u>FY2001</u>
	<u>Difference</u>	<u>Difference</u>
FTE	0.50	1.00

**Expenditures:**

Personal Services	\$17,265	\$34,530
Operating Expenses	<u>30,690</u>	<u>43,195</u>
TOTAL	\$47,955	\$77,725

**Funding:**

State Special Revenue (02)	\$47,955	\$77,725
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**Revenues:**

State Special Revenue (02)	0	0
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**Net Impact to Fund Balance (Revenue minus Expenditure):**

State Special Revenue (02)	(\$47,955)	(\$77,725)
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**LONG-RANGE IMPACTS:**

Program funding for the 2003 biennium and future years will be supported by industry fees.